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FISCAL IMPACT STATEMENT

LS 7674

BILL NUMBER: SB 542

NOTE PREPARED: Jan 13, 2005

BILL AMENDED:

SUBJECT: ISTEP Testing.

FIRST AUTHOR: Sen. Waterman

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: The bill replaces the ISTEP test program with an assessment program using the Iowa Tests of Basic Skills or the Iowa Tests of Educational Development, as appropriate for the grade level being tested. The bill repeals a definition and a statute establishing the ISTEP program citizens' review committee.

Effective Date: July 1, 2005.

Explanation of State Expenditures: *Summary:* Under the bill, purchase of the Iowa Tests of Basic Skills for grades 3 through 9 and the Iowa Tests of Educational Development for grade 10 would require expenditures of approximately \$7.5 M - \$8.7 M for one administration of these examinations, depending on the testing options chosen. The above estimate includes only administration costs for pre-test, test, scoring, and post-test materials for one administration of the Iowa tests. The estimate also assumes that one school would require one training manual, scoring mask, etc. to administer the Iowa test. Given that the Iowa series examinations have already been developed, neither development costs nor results/research analysis costs were included in the estimate.

Funds currently earmarked for the ISTEP examination development and administration could be used as a funding source for the Iowa tests. See: Background.

Estimated expenses for administering the Iowa test noted above could be higher due current law, which requires that the general language arts essay questions must be made available to the public at least four months before the administration of the test. The current DOE contract with the ISTEP vendor allows for the disclosure of

questions. Allowing disclosure of test questions may or may not be possible with the vendor of the Iowa test without a specific contract or additional cost above the standard administrative costs noted above.

Background: In FY 2005, \$39,210,450 was appropriated from the state General Fund and state Dedicated Funds for ISTEP+ testing and remediation. The appropriation also includes approximately \$7.9 M from the federal government under the No Child Left Behind Act. Of the total appropriation, approximately \$17 M was distributed to eligible school corporations for preventative and regular remediation and approximately \$22.4 M was distributed for test development and administration.

In FY 2005, \$4.9 M was appropriated from the state General Fund for Graduation Exam Remediation.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Education, Indiana State Board of Education.

Local Agencies Affected: School corporations.

Information Sources: Houghton Mifflin Riverside Publishing; DOE SAS and ORACLE DATABASES; State of Indiana, *List of Appropriations (July 1, 2003, to June 30, 2005)*; Indiana State Budget Agency BUDSTARS system; Wes Bruce, Department of Education.

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